

A B I L L

To amend section 2306 of title 10, United States Code, to authorize certain contracts for supplies and services to extend beyond one year.

1       Be it enacted by the Senate and House of Representatives  
2       of the United States of America in Congress assembled, That  
3       section 2306 of title 10, United States Code, is amended by  
4       adding the following new subsection after subsection (f):

5               "(g) The head of an agency may enter into contracts  
6               for periods of not more than five years for supplies or  
7               services for which funds would otherwise be available  
8               for obligation only within the fiscal year for which  
9               appropriated, whenever he finds that--

10               "(1) there will be a continuing requirement  
11               for the supplies or services consonant with current  
12               plans for the proposed contract period;

13               "(2) the furnishing of such supplies or services  
14               will require a substantial initial investment in  
15               plant or equipment, or the incurrence of substantial  
16               contingent liabilities for the assembly, training,  
17               or transportation of a specialized work force; and

18               "(3) the use of such a contract will promote  
19               the best interests of the United States by encour-  
20               aging effective competition and promoting economies  
21               in operation."

Enclosure 1